



CYNTHIA A. HARDING, M.P.H.
Interim Director

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August 25, 2015

TO: Each Supervisor

FROM: Cynthia A. Harding, M.P.H.
Interim Director

**SUBJECT: NOTIFICATION OF THE USE OF DELEGATED AUTHORITY TO
EXECUTE AN ASSIGNMENT OF RIGHTS TO TWO SUBSTANCE
USE DISORDER SERVICES CONTRACTS**

This is to notify you that I am exercising delegated authority approved by your Board on July 1, 2008, to execute amendments to Department of Public Health (DPH) agreements for contract assignments resulting from acquisitions, mergers, or other changes in ownership, subject to review and approval by County Counsel and the Chief Executive Office (CEO), and notification to your Board.

Effective July 1, 2015, indirect ownership of the narcotic treatment programs owned by Addiction Research Treatment, Inc. (ART), the parent company of BAART Behavioral Health Services, Inc. (BBH), changed pursuant to an agreement under which an affiliate of Behavioral Health Holdings Corporation (Holdings) purchased the stock of ART and the shareholders of ART became shareholders of Holdings. As a result, 80 percent of the issued and outstanding equity interests in Holdings will be held by Webster Capital III, L.P., with the other 20 percent held by ART's previous individual shareholders.

Under the delegated authority referenced above, I will execute amendments to the two contracts referenced below to assign the contracts to Holdings, effective July 1, 2015:

1. Contract Number PH-002810 with ART: Under this Contract, ART will continue to directly own and operate four (4) facilities providing Narcotic Treatment Program services.
2. Contract Number PH-002295 with BBH: Under this Contract, BBH will continue to directly own and operate two (2) facilities providing Outpatient Narcotic Treatment Program Detoxification services.

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The assignment of these Contracts will not impact the provision of services. All other terms and conditions of the Contracts remain unchanged and in full effect.

County Counsel has reviewed and approved the amendment as to use. County Counsel and the CEO have reviewed and approved this delegated authority action.

If you have any questions or need additional information, please let me know.

CAH:yl
DA#03357

c: Interim Chief Executive Officer
Interim County Counsel
Acting Executive Officer, Board of Supervisors